

mb470010
cc: April



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO:

3504 /(UT-9223)

UTU-0126938, UTU-0126940, UTU-0126942,

UTU-0126943, UTU-060749, UTU-073071,

UTU-78402, UTU-78403 and UTU-78405

JUL 23 2015

RECEIVED

JUL 27 2015

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – Return Receipt Requested

91 7199 9991 7031 4480 2423

DECISION

American Gilsonite Company
29950 South Bonanza Highway
Bonanza, Utah 84008

:
:
:

Gilsonite Leases
UTU-0126938 et. al.

Bond Increase Required Decision Clarified

On June 29, 2015, a decision was sent to American Gilsonite Company requiring that additional bond coverage for your gilsonite leases was required.

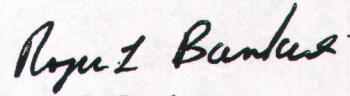
Regulations at 43 CFR 3504.60 allow for the amount of any bond to be increased/decreased when additional/less coverage is determined to be appropriate. The Utah State Office required that additional bond coverage be provided in the amount of \$673,000 based on the production and present reclamation requirements on your Federal gilsonite leases.

In order to mitigate the impact of this increased bond amount, it was determined that as long as your lease accounts remain in good standing, you may make incremental increases in bonding. The decision stated that these amounts should be \$135,000/year for the next four years and an increase of \$133,000 for the fifth year.

Please note that the amount for the fifth year is \$133,000.

These bond amounts may be provided by submitting a new surety bond or additional treasury note for the required amount. The first increased bond must be provided by December 31, 2015, and the additional increases must be provided by December 31st of the following four years. A compliance period till December 31, 2015, will be allowed to submit the above bond. If no action is taken by that time the full amount of \$673,000 bonding will be required.

If you have further questions, please call Bill Buge at (801) 539-4086 or Stan Perkes at (801) 539-4036.

A handwritten signature in black ink, reading "Roger L. Bankert". The signature is written in a cursive style with a large, stylized "R" and "B".

Roger L. Bankert
Chief, Branch of Minerals

cc: State Division of Oil, Gas and Mining
BLM Green River District Office (UTG00)